

**ORIGINAL**

Decision No. 52643

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

(Amended Title)	)	
In the Matter of the Application of	)	
PACIFIC GAS AND ELECTRIC COMPANY for	)	
an order of the Public Utilities	)	
Commission of the State of California,	)	Application No. 24118
authorizing applicant to enter into a	)	(First Supplemental)
written agreement with Calaveras	)	
Cement Company.	)	
(Gas)	)	

OPINION AND ORDER ON FIRST SUPPLEMENTAL APPLICATION

Pacific Gas and Electric Company by the above-entitled application filed January 3, 1956, requests an order of the Commission authorizing it to carry out the terms and conditions of a letter agreement dated November 17, 1955, with Calaveras Cement Company (hereinafter sometimes referred to as Calaveras). Said agreement relates to the furnishing of interruptible gas service to the cement plant of Calaveras located two miles southeast of San Andreas, Calaveras County, California. A copy of said agreement is attached to the application, marked Exhibit B, and by reference made a part hereof for all purposes.

Applicant was authorized by the Commission in Decision No. 34209, dated May 20, 1941, to enter into a 15-year agreement dated June 10, 1941, with Calaveras for the sale and delivery of surplus natural gas to its cement plant near San Andreas. Under date of October 25, 1946, applicant entered into a further agreement with Calaveras for the sale and delivery of interruptible gas in addition to the surplus gas supplied by applicant to Calaveras under the agreement dated June 10, 1941.

Under date of November 21, 1949, applicant entered into a supplemental agreement with Calaveras amending and modifying the contract dated June 10, 1941, and canceling the contract dated October 25, 1946. The agreement of November 21, 1949, was entered into to carry into effect the provisions of the Commission's order in Decision No. 43368, dated October 4, 1949, on Application No. 29777, which authorized the cancellation of Pacific's tariff sheets applicable to surplus natural gas service and the making effective of the interruptible gas tariffs provided in the order and the charging of such rates for interruptible gas service. The effect of amending and modifying the contract of June 10, 1941, was to substitute "interruptible natural gas service" for the "surplus natural gas service" therein provided, which interruptible gas service would be sold and delivered to Calaveras under Pacific's filed Schedule No. G-50.

Applicant states that pursuant to its Rule and Regulation No. 12, Rates and Optional Rates, and at the request of Calaveras, filed Schedule No. G-52, Interruptible Gas Service, was made applicable to the interruptible gas service furnished Calaveras effective May 25, 1955.

By the letter agreement dated November 17, 1955, the term of the June 10, 1941, gas contract is extended to August 20, 1958, and is to continue in force thereafter from year to year subject to termination by either party on 30 days' written notice. The rent of \$36,000 per year provided in the original contract to be paid by applicant for the use of Calaveras' 8-inch gas transmission line, extending from Woodbridge Junction to Calaveras' cement plant, will terminate as of July 21, 1956, which is the expiration date of the initial 15-year term of the existing contract dated June 10, 1941, as amended. Applicant agrees to pay \$1,500 per year to Calaveras to

maintain the afore-mentioned gas transmission line, effective from and after July 21, 1956. Applicant has advised the Commission that this expense is based on the average of actual expenditures over a recent five-year period.

The letter agreement dated November 17, 1955, provides that as of August 20, 1955, applicant's Schedule G-53 shall constitute the rates applicable to interruptible gas delivered to Calaveras. This schedule requires a contract for an initial period of three years.

The Commission having considered the request of applicant and being of the opinion that the application should be granted and that a public hearing is not necessary; therefore,

IT IS HEREBY ORDERED that:

1. Applicant be and it is authorized to carry out the terms and conditions of the written agreement, dated November 17, 1955, with Calaveras Cement Company, and to render the service described therein under the terms, charges and conditions stated therein.
2. The written agreement, dated November 17, 1955, shall at all times be subject to such changes or modifications by the Public Utilities Commission of the State of California as said Commission may, from time to time, direct in the exercise of its jurisdiction.
3. Applicant shall file with the Commission within thirty days' after the effective date of this order, two certified copies of the agreement as executed, together with a statement of the date on which the agreement is deemed to have become effective.

- 4. Applicant shall notify this Commission of the date of termination of said agreement within thirty days thereafter.

The effective date of this order shall be twenty days after the date hereof.

Dated at Los Angeles, California, this 14<sup>th</sup> day of FEBRUARY, 1956.

*John E. Mitchell*  
President  
*Justin J. Casene*  
*Barry Lieberman*  
*William J. ...*  
*R. ...*  
Commissioners